CHAPTER TWO

INVENTORY OF AIR SERVICE AREAS

With information established on national and Arizona-specific trends which have or could impact scheduled air service in the State, an inventory of Arizona's current air service environment was conducted. To provide an overview of Arizona's air service characteristics, facility data were collected, historic and current air service characteristics were indexed, socioeconomic and demographic data were reviewed, and meetings were held. This inventory provides a basis for understanding Arizona's existing air service system and evaluating the system for potential improvements. Inventory efforts are described in the following sections.

1. AIRPORT FACILITY DATA

Information about each of the airports was gathered from airport managers, the NOAA Airport/Facility Directory, and the Arizona State Aviation Needs Study (SANS). Runway data, including the length, width, and orientation, for all study airports is depicted in **Table 2-1**. The airports are classified by the FAA based on the approach speed and wingspan of the most demanding aircraft that uses each airport on a regular basis. This classification was done to establish an Airport Reference Code (ARC) for each airport. Factors that are important to consider when evaluating an airport's capacity and ability to accommodate additional or improved air service are noted in Table 2-1. These factors include: lighting, available approaches, NAVAIDs, annual service volume (ASV), terminal space, number of passenger gates, number of automobile parking spaces, and ARFF index.

2. SERVICE INDEXING

Information presented on the 13 airports that were the focus of the Arizona Air Service Study was drawn from a number of different aviation industry sources. No single source provides the entire picture of a community's air service history, but together, the information from multiple sources provides a more comprehensive overview. Because each of the air service descriptions draw on the same types of information, this introduction is intended to familiarize the reader with the strengths and weaknesses of each of the data sources utilized to develop market histories.

The Official Airline Guide (OAG) is one of the single most complete compilations of airline schedule information in the world. In its electronic version (dating back to 1978), this source provides monthly schedule information for any city receiving commercial air service. The OAG provides a listing of all nonstop (or same flight number) destinations by airline, routing, aircraft types, and time of departure and arrival. The OAG is used by airports, airlines, and aircraft manufacturers around the world to analyze air service trends.

TABLE 2-1

Arizona Department of Transportation
Arizona Air Service Study

EXISTING FACILITIES
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City	Commercial Service	ARC	Runway Orientation	Length/ Width	Parallel Taxiway	Lighting	Approach	NAVAIDs
Bullhead City	Yes	C-III	16/34	7,500' x 150'	full	MIRL	VOR/DME, GPS	REIL, PAPI
Flagstaff	Yes	C-III	03/21	6,999' x 150'	full	MIRL	ILS/DME, VOR/DME, GPS-A	MALSR, VASI
Grand Canyon	Yes	C-III	03/21	8,999' x 150'	full	MIRL	ILS/DME, VOR	MALSR, REIL, VASI
Kingman	Yes	C-III	03/21	6,831' x 150'	full	MIRL	VOR/DME, GPS	VASI
			17/35	6,723' x 75'	partial	MIRL		PAPI
Lake Havasu City	Yes	C-III	14/32	5,500' x 100'	full	MIRL	VOR/DME, GPS-A	REIL, PAPI
Page	Yes	B-II	15/33	5,500' x 150'	full	MIRL	VOR, GPS	REIL, VASI
			07/25	2,200' x 75'	---	---		---
Prescott	Yes	C-III	3R/21L	7,616' x 150'	full	MIRL	ILS/DME, VOR	REIL, MALSR, PAPI
			3L/21R	4,842' x 100'	full	MIRL		PAPI
			12/30	4,408' x 75'	full	MIRL	VOR, GPS	PAPI
Safford	No	B-II	12/30	6,015' x 100'	partial	MIRL	GPS	VASI
			08/26	4,800' x 75'	partial	MIRL		PAPI
Sedona	No	B-I	03/21	5,131' x 75'	full	MIRL	NDB, GPS-A	REIL, VASI
Show Low	Yes	C-III	06/24	7,200' x 75'	full	MIRL	NDB, GPS-A	REIL, PAPI
			03/21	3,930' x 60'	partial	---		---
Sierra Vista	Yes	C-III	08/26	12,001' x 150'	full	HIRL	ILS, VOR, GPS	VASI
			11/29	5,365' x 100'	---	MIRL		PAPI
			02/20	4,300' x 75'	---	LIRL		
Winslow	No	B-II	11/29	7,102' x 150'	full	MIRL	VOR, GPS	REIL, VASI
			04/22	7,498' x 150'	full	MIRL		REIL, VASI
Yuma	Yes	C-III	3L/21R	13,299' x 200'	full	HIRL	ILS	MALSR, Tacan
			3R/21L	9,329' x 150'	full	HIRL		Tacan
			08/26	6,145' x 150'	full	HIRL		
			17/35	5,710' x 150'	partial	HIRL	VOR/DME	

TABLE 2-1

Arizona Department of Transportation
Arizona Air Service Study

EXISTING FACILITIES
(PAGE 2 OF 2)

City	ASV	1997 Operations	Terminal in SF	# Gates	Apron in SY	# Parking Spaces	ARFF Index
Bullhead City	259,343	43,061	10,500	3	28,778	156	A/B
Flagstaff	286,740	44,783	23,000	2	5,556	400	A
Grand Canyon	195,000	188,588	8,500	3	95,600	185	B
Kingman	298,316	35,000	2,500	1	19,444	60	A
Lake Havasu City	204,464	49,393	6,000	3	8,125	124	---
Page	236,016	32,342	12,000	1	61,111	150	A
Prescott	377,833	358,058	3,600	1	6,667	110	A
Safford	235,116	14,100	1,100	1	5,556	35	----
Sedona	254,030	40,897	46,000	1	27,778	29	---
Show Low	297,696	21,000	6,510	1	19,444	200	----
Sierra Vista	382,200	64,665	8,000	4	145,800	252	A
Winslow	265,000	12,811		1			
Yuma	310,728	129,505	44,000	6	17,222	400	A

Sources: ADOT Aeronautics
Airport Management Records

When used in local analyses, however, two limitations need to be considered. First, the OAG provides only scheduled flight information; if actual flights vary from scheduled flights, such variations are not reported. Second, in recent years the growth of "code sharing" has led to the multiple listing of some flights. For example, a Mesa Airlines flight could be listed under both a Mesa Airlines flight number and a United Express flight number. The information reported in this chapter has not been edited to delete these types of double counts; a review of a sample listing indicated, however, that double counting is very minor. Data contained in the following summary paragraphs obtained from the OAG include: number of departures, number of seats, average aircraft size, number of major/national carriers, number of regional commuter carriers, and number of nonstop markets served.

The U.S. Department of Transportation: Ten Percent Ticket Survey provides detailed flight itineraries for local and connecting passengers. This information is compiled from a continuous survey of 10 percent of all passengers traveling on domestic flights flown by U.S. certificated air carriers. This data is available on a quarterly basis. Information on origin and destination (O&D) city pairs (regardless of the air carriers involved) and information online by air carrier is available from 1974. More detailed travel itineraries by O&D and by air carrier is available from 1982. The air carrier data base also provides fare and yield information; this data base is referred to as the OD1A report. OD1A data were used in the following summaries to determine average fare and average yield. Many of the smaller carriers that have served the airports being analyzed in this study have historically not been required to report activity data to the USDOT. As result, service histories presented in this section may present data for some markets which is not entirely accurate for this historic period portrayed. Also because of the small sample size, reported data can cause wide variations in each market's reported data. Nevertheless, the service histories presented in this section still provide sufficient information for identifying general trends in commercial airline service for each of the study airports which is the primary intent of preparing the service histories.

The USDOT Ten Percent Ticket Survey is drawn primarily from flight coupons provided by certificated air carriers. As a result, information in this data base is primarily oriented to the larger airlines. A passenger on a commuter flight from Flagstaff, as an example, who ended his or her trip in Phoenix would neither be sampled nor reported. A passenger on a commuter flight from Flagstaff to Phoenix, who then connected on a certificated airline from Phoenix to a further domestic destination (e.g. Chicago) would be reported in the sample.

The FAA Terminal Area Forecast (TAF) provides information on specific airports throughout the U.S. on an annual basis. The TAF not only reports historical data, but also provides forecasts of operations, enplanements, and based aircraft. Data obtained from the TAF used in the following summaries include enplanement data for years 1982-1994. Enplanement data reported in the TAF is based on data submitted by the U.S. scheduled and nonscheduled commercial air carriers and by the regional/commuter carriers. These data are supplemented by an FAA survey of air taxi operators, reports from foreign flag carriers, information from the U.S. Immigration and Naturalization Service, and reports from state aviation commissions and airport managers. The TAF

was used to provide a complete and consistent source for enplanement data that were not available from individual airports. Enplanement data for 1997 were obtained directly from community representatives and airport managers. The TAF does not have 1997 actual data. For study airports that have a notable level of passengers that are carried by charter carriers, it is important to note that enplanement data as reported by the TAF and enplanement data from airport records will most likely not correspond.

The service histories presented in this chapter provide an opportunity to see how service has actually changed in each Arizona market since 1982. Further, it is possible to then determine, on an historic basis, how passenger demand levels have responded to various service changes. Data is presented for each market for 1982, 1985, 1988, 1991, 1994, and 1997. For this study, the service histories provide important clues for determining each market's "potential" versus its actual enplaned passenger levels. The air service histories should be viewed in conjunction with the airport meeting summaries for a more complete understanding of the air service patterns identified for the 13 study airports. While potential demand levels will be discussed more fully in a subsequent section, historical demand levels are used to better understand the level of scheduled air service that each community may be able to support.

A. Bullhead City (Laughlin/Bullhead City International)

The Bullhead City air service history for 1982-1997 is presented in **Table 2-2**. As displayed in this table, Bullhead City did not have commercial air service until after 1991. Enplanement data for 1994 to 1997 is vastly different primarily because FAA TAF enplanement figures were used for 1994. For 1997, enplanement figures were obtained from airport management records from Laughlin/Bullhead International. It is important to note that airport figures include charter passengers, while the TAF figures do not. Charter service is significant in Bullhead City due to the gaming industry located in Laughlin, Nevada, just across the river from Bullhead City.

Between 1994 and 1997, the number of departures increased from 694 to 2,366, and the number of seats increased from 18,268 to 57,195. Although departures and seats increased in the market, the average aircraft size decreased from 26 to 24 seats. Historically, Reno Air provided the largest aircraft with flights to San Jose, CA, in 1994. Commuters in 1994 included Mesa Airlines and Arizona Airways; while by 1997, Eagle Canyon service was added and Arizona Airways left the market. In 1994, there were six markets served from Bullhead City including: Los Angeles, CA; Ontario, CA; San Jose, CA; Phoenix, AZ; Tucson, AZ; and Lake Havasu City, AZ. By 1997, the number of markets decreased to four including: Phoenix, Lake Havasu City, San Jose, and Las Vegas. It is important to note that for this and other markets being analyzed in this study, reported service may in fact be a "tag" to a final destination as opposed to true destination service. Average fare increased from $54.45 to $67.92, and average yield increased from $0.108 to $0.153 from 1994 to 1997.

TABLE 2-2

TRAFFIC AND SERVICE SUMMARY: BULLHEAD CITY, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	0	0	0	0	4,356	64,094
No. of Departures	0	0	0	0	694	2,366
No. of Seats	0	0	0	0	18,268	57,195
Average Aircraft Size	0	0	0	0	26	24
No. of Major/National Carriers	0	0	0	0	1	1
No. of Commuter Carriers	0	0	0	0	2	2
No. of Nonstop Markets	0	0	0	0	6	4
Average Fare (1997 dollars)	$0.00	$0.00	$0.00	$0.00	$58.36	$67.92
Average Yield	$0.000	$0.000	$0.000	$0.000	$0.109	$0.153

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

B. Flagstaff (Flagstaff-Pulliam Airport)

Table 2-3 displays air service indicators for Flagstaff for selected years between 1982 to 1997. Over the years, Flagstaff has had relatively consistent commercial airline service. Enplanement levels have remained somewhat flat, hovering around 45,000 enplanements per year since 1988. The number of departures has also remained stable near 5,000 since 1988. It is important to note that in 1997 there were more enplanements than in 1988 when the number of departures was actually higher. The number of seats and average aircraft size in 1994 and 1997 decreased from peaks experienced in 1988. In 1998, this market was upgraded from 19 to 37-seat aircraft.

No major/national carriers were identified as having served this market, although there have been up to five commuter carriers serving Flagstaff, as was the case in 1982. Since 1982, the number of carriers has slowly diminished to the current single carrier, Mesa/America West. Other commuter carriers that served this market in the past 15 years include: Arizona Pacific, Cochise, Sun West, Copper State, and SkyWest Airlines. The number of nonstop markets served has also decreased from the high of seven markets in 1982, to only one market in 1998. Average fares have been as low as $97.87 in 1988, (which likely lead to the higher enplanement level) to as high as $143.23 in 1997. Overall, the level of service in the Flagstaff market has decreased over the years; however, the enplanement levels have not shifted significantly.

TABLE 2-3

TRAFFIC AND SERVICE SUMMARY: FLAGSTAFF, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	15,896	21,563	46,638	46,146	40,213	47,059
No. of Departures	3,369	3,492	5,205	5,146	4,311	4,909
No. of Seats	54,493	63,568	148,683	141,154	81,909	93,271
Average Aircraft Size	16	18	29	27	19	19
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	5	3	2	2	2	1
No. of Nonstop Markets	7	4	3	4	2	2
Average Fare (1997 dollars)	$241.51	$228.67	$130.81	$161.69	$186.60	$143.23
Average Yield	$0.173	$0.153	$0.163	$0.160	$0.173	$0.160

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

C. Grand Canyon (Grand Canyon National Park Airport)

A 15 year summary of air service for the Grand Canyon is presented in **Table 2-4**. Since 1985 the market has seen an increase in its number of enplanements; one such notable increase in the number of enplanements was experienced between 1994 and 1997. TAF enplanement figures from the FAA were available for all years except 1997; 1997 enplanements are derived from other records. Annual enplanements for this airport as derived from airport management records are also presented in Table 2-4. Airport management records for enplanements at this airport differ in most instances from TAF figures. These differences have to do with carrier reporting requirements. Commercial airline service to the Grand Canyon National Airport is provided by both scheduled and charter carriers. Because of the nature of their operations and the service they provide, circumstances may not require that these carriers report to the FAA on the number of passengers they carry. The airport on the other hand, records all passengers enplaning at the airport. The airport maintains annual records of enplaning passengers because this activity measure is used in part to determine the airport's annual eligibility for federal funding from AIP. At many airports throughout the U.S. where charter carriers serve a significant portion of the airport's enplaning passengers, FAA and airport records on annual enplanements can vary because of the reporting differentials. As shown in Table 2-4, the number of annual enplaned passengers served by this airport increased markedly over the historic period considered in the service histories.

From 1988 to 1994, the number of departures stayed relatively constant at approximately 7,000, however, there was a large upswing in the number of departures in 1997. The number of annual seats also remained relatively constant between 1988 and 1994, but reached a high of 234,120 seats in 1997. Aircraft size has varied over the years, from the smallest average aircraft size of 13 seats to the largest of 21 seats in 1997. This market has not been served

by any major/national carriers, although the market has seen up to 12 carriers. Carriers that served the market include America West, which served the market in the eighties and early nineties. Other carriers that served the market over the past 15 years include: Republic, Eagle Canyon, and Scenic. In 1997, there were seven carriers that served the market; this included the charter carriers that served the market. In 1997, there were four nonstop markets with regular charter service including: Las Vegas, NV; Page, AZ; Oakland, CA; and Burbank, CA. Average fares have ranged from a low of $81.78 in 1988 to a high of $160.25 in 1997. Average yield has generally increased over the 15-year period from $0.178 in 1982 to $0.267 in 1997. Overall, there has been little consistency in the level of service provided at the Grand Canyon since 1982. While travelers to and from this market can take advantage of regular charter service, this market presently has no regularly scheduled commercial airline service.

TABLE 2-4

TRAFFIC AND SERVICE SUMMARY: GRAND CANYON, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	131,079	65,413	148,997	206,852	302,302	632,971
Enplanements Recorded[1]	102,500	34,500	327,145	435,838	534,877	601,547
No. of Departures	11,538	8,113	7,190	7,421	7,922	11,231
No. of Seats	217,711	105,278	147,997	141,388	112,653	234,120
Average Aircraft Size	19	13	21	19	14	21
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	12	9	5	8	9	7
No. of Nonstop Markets	6	7	5	4	5	4
Average Fare (1997 dollars)	$156.49	$218.24	$109.31	$118.21	$144.86	$160.25
Average Yield	$0.178	$0.192	$0.190	$0.205	$0.247	$0.267

Notes: [1] Annual Enplanements as recorded on airport management records.
Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

D. Kingman (Kingman Airport)

A summary of the history of the past 15 years of traffic and service at Kingman is presented in **Table 2-5**. The enplanement level at Kingman has varied from a low of 564 enplanements in 1988 to a high of 3,734 in 1994. The number of departures peaked in 1985 and then incrementally decreased, with the exception of a slight increase in 1994. Since 1994, the number of departures has fallen, reaching a low of only 522 departures in 1997. The number of seats has also experienced a similar pattern, peaking in 1985 then decreasing until a slight increase 1994. The number of seats then decreased further to a low of 9,918 in 1997. It is important to note that Kingman is one of three markets in the State that has commercial air service that is subsidized through the EAS program.

The average aircraft size serving the Kingman market increased from 1982 to 1997. However, the average aircraft size has remained consistent since 1991 with 19-seat aircraft. No major/national carriers have served the Kingman market in the past 15 years; while the market has only sustained one or two commuter carriers per year over the historic period. Data indicates that since 1994, Kingman has had nonstop service to Prescott, this flight continues on to Phoenix. Other markets that have been served from Kingman in previous years include: Phoenix, AZ; Bullhead City, AZ; Lake Havasu City, AZ; and Las Vegas, NV. The average fare in 1997 was low at $109.85 when compared to previous years. The lowest average fare sampled was $101.61 in 1982, while the highest fare was $140.27 in 1985. Average yield also peaked at $0.400 in 1997, almost double that of the previously recorded average yields in the 15-year time frame. Average fare and average yield were not available from OD1A in 1991 for this market.

TABLE 2-5

TRAFFIC AND SERVICE SUMMARY: KINGMAN, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	1,234	3,317	564	1,997	3,734	1,559
No. of Departures	1,827	2,628	2,124	822	985	522
No. of Seats	14,616	23,652	19,116	15,618	18,715	9,918
Average Aircraft Size	8	9	9	19	19	19
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	2	1	1	1	1	1
No. of Nonstop Markets	2	2	5	3	1	1
Average Fare (1997 dollars)	$169.90	$208.44	$184.79	$0.00	$144.78	$109.85
Average Yield	$0.219	$0.191	$0.192	$0.000	$0.277	$0.400

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

E. Lake Havasu City (Lake Havasu City Municipal Airport)

Table 2-6 presents the air service history for the Lake Havasu City market for the past 15 years. As indicated, enplanements have remained relatively consistent since 1985, with a small decrease to 11,879 enplanements in 1997. According to TAF data, no enplanements were recorded in 1991, however, the OAG and OD1A both provided air service information for this year. It is possible that for whatever reason, enplanement data for this market was not reported to the FAA for the year in question. It should be assumed that there actually were enplanements during 1991 although they were not recorded in the TAF. Also, in 1994 and 1997, the FAA TAF reported enplanements while the OAG and ODIA do not report information on carriers providing service. Information other than the number of enplanements for 1994 and 1997 were not available from these sources.

The number of departures grew from 1982 to 1998, however, departures experienced a sharp decline in 1991. The number of seats increased slightly from 1982 to 1985, but experienced a significant increase in 1988 due to the increased number of departures and larger aircraft. In 1991, the number of departures fell again, but remained above what they had been prior to 1988. As previously mentioned, the average aircraft size in 1988 increased from 9 to 24 seats. In 1991, the average aircraft size decreased to 19 seats. No major/national carriers have served this market in the past 15 years, however, the market has been served by as many as four carriers (1988). From 1982 to 1985, there were five nonstop markets served from Lake Havasu City. This increased to 10 nonstop markets in 1988, but then fell again to three markets in 1991. Overall, there was an increase in the quality of service at Lake Havasu City in 1988. Enplanement levels, however, do not reflect an increase in demand from the improved service. Average fares slowly decreased from 1982 to 1991. Historically, average yield has remained relatively constant.

TABLE 2-6

TRAFFIC AND SERVICE SUMMARY: LAKE HAVASU CITY, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	6,892	12,824	13,169	0	0	10,668
No. of Departures	2,259	4,188	5,429	2,293	0	0
No. of Seats	20,331	37,949	129,076	43,567	0	0
Average Aircraft Size	9	9	24	19	0	0
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	1	4	4	2	0	0
No. of Nonstop Markets	5	5	10	3	0	0
Average Fare (1997 dollars)	$258.29	$222.96	$182.07	$125.76	$0.00	$0.00
Average Yield	$0.159	$0.159	$0.159	$0.147	$0.000	$0.000

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

F. Page (Page Municipal Airport)

A summary of the history of the past 15 years of traffic and service at Page is represented in **Table 2-7**. Commercial service was reported in each of the sampled years. Commercial airline service at Page, along with service at Kingman and Prescott, is subsidized through the EAS program. The number of enplanements grew from 3,611 in 1982 to a peak of 18,874 in 1994, then fell to 10,859 in 1997. Although the number of enplanements has increased, the number of departures has slowly decreased over the past 15 years. The number of seats grew from 1982 until 1991, but has been decreasing since then. Average aircraft size has varied slightly, but it has been generally in the 19-seat range. Page has not been served by a major/national carrier over the past 15 years. Commuter carriers that have served the Page market include: Sky West, Great Lakes, Scenic, and Grand Canyon Airlines. The number of nonstop markets has varied between two and four. Destinations served over the last 15

years include: Cedar City, UT; Flagstaff, AZ; and St. George, UT. In 1997, destinations included: Denver, CO; Grand Canyon, AZ; Phoenix, AZ; and Show Low, AZ. Destinations served also included those served by charter carriers who operated in this market. Average fares have increased over the past 15 years in the Page market. In 1982, fares averaged $100. By 1997, average fares almost doubled to $192.94. Average yield has varied slightly with the lowest yield in 1982 at $0.181 to the highest yield of $0.227 in 1988.

TABLE 2-7

TRAFFIC AND SERVICE SUMMARY: PAGE, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	3,611	4,436	4,060	4,265	18,874	10,859
No. of Departures	1,685	1,734	1,526	1,583	1,392	1,144
No. of Seats	21,510	29,658	28,994	30,077	26,448	19,796
Average Aircraft Size	13	17	19	19	19	17
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	1	3	1	1	1	2
No. of Nonstop Markets	2	3	2	2	4	4
Average Fare (1997 dollars)	$168.87	$203.04	$183.97	$216.29	$206.95	$192.94
Average Yield	$0.181	$0.199	$0.227	$0.212	$0.225	$0.197

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

G. Prescott (Ernest A. Love Field)

Table 2-8 provides a summary of the traffic and service history of the Prescott market over the past 15 years. Enplanement levels have fluctuated over the past 15 years from a low of only 854 enplanements in 1982 to a high of 13,930 in 1994. The number of departures fluctuated during this period; however, the level of enplanements did not follow the fluctuating number of departures. This indicates that the enplanement level is not necessarily related to the number of departures provided. The number of seats has varied according to the level of departures. Aircraft size has also varied from a low of eight seats in 1982 to an average of 19 seats in 1997.

This market has been served by varying numbers of carriers. The number of carriers has slowly been decreasing since 1982. In 1982, the market was served by three carriers including: Golden Pacific, Copper State, and Cochise Airlines. In 1997, the Prescott market was served solely by Mesa. The number of nonstop markets served has fluctuated between two and four markets all of which are in Arizona including markets such as: Grand Canyon, Kingman, Lake Havasu City, Phoenix, Sedona, and Bullhead City. The two markets served in 1997 were Kingman and Phoenix. Service to Kingman was actually provided as a tag to the Phoenix service. Average fares have remained relatively low, averaging slightly above

or below $100.00. Average yield has been as high as $0.251 in 1982 and as low as $0.152 in 1997, from 1985 to 1994, yield averaged around $0.170.

TABLE 2-8

TRAFFIC AND SERVICE SUMMARY: PRESCOTT, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	854	9,311	2,697	6,568	13,930	10,043
No. of Departures	1,857	5,431	4,251	1,774	3,108	1,667
No. of Seats	14,856	51,687	56,489	32,771	50,483	31,673
Average Aircraft Size	8	10	13	18	16	19
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	3	2	2	2	2	1
No. of Nonstop Markets	2	4	4	2	3	2
Average Fare (1997 dollars)	$149.39	$139.52	$138.91	$137.96	$126.40	$103.64
Average Yield	$0.251	$0.175	$0.188	$0.175	$0.168	$0.152

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

H. Safford (Safford Regional Airport)

A summary of the traffic and service history for Safford is presented in **Table 2-9**. Of the years sampled, Safford only had scheduled passenger service in 1982. It is important to note that Safford presently has no scheduled airline service, but as a market that once supported commercial airline activity, its potential to once again support commercial airline service was evaluated. In the one year for which service history data was available, there were 22 enplanements on 109 departures. Copper State Airlines served this market with an eight-seat Piper; this resulted in a total of 892 seats in 1982. Service was provided to Tucson from Safford. OD1A did not provide data on the average fare and average yield for the Safford market in 1982.

TABLE 2-9

TRAFFIC AND SERVICE SUMMARY: SAFFORD, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	22	0	0	0	0	0
No. of Departures	109	0	0	0	0	0
No. of Seats	872	0	0	0	0	0
Average Aircraft Size	8	0	0	0	0	0
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	1	0	0	0	0	0
No. of Nonstop Markets	1	0	0	0	0	0
Average Fare (1997 dollars)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Average Yield	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

I. Sedona (Sedona Airport)

Table 2-10 presents the air service history for the Sedona market. Enplanement figures decreased from 1985 to 1994. Sedona is another of the study airports that presently has no scheduled airline service. No enplanement numbers were available from the TAF for 1997, although the OAG did report departures. This market's number of departures fluctuated between 1982 and 1994 from a low of 107 departures in 1982 to a high of 2,734 in 1985. The total number of seats has also fluctuated from a low of 856 to a high of 25,550. From 1985 to 1988, the number of seats stayed relatively consistent. As the average aircraft size moved from eight (8) to 14 seats as the number of departures decreased.

No major/national carriers served this market in the past 15 years, although the market has been served by either one or two commuter carriers. Some of the commuter carriers that have served this market include: Copper State, Air Sedona, Golden Pacific, Arizona Pacific, and Scenic Airlines. Golden Pacific Airlines discontinued service in 1988. Air Sedona (Scenic Air) started scheduled service in 1984 and discontinued service in August1995. Despite the fact that it discontinued operations, Air Sedona maintained a 50 percent or more load factor while in service. Air Sedona had four scheduled round-trip flights to Phoenix and used four to six passenger airplanes to provide this service. The number of nonstop markets served has also varied. Nonstop markets served from Sedona in the past 15 years include: Phoenix, AZ; Grand Canyon, AZ; and Prescott, AZ. Although Sedona had scheduled passenger service from 1982 to 1994, average fare and average yield for all years except 1985 were not reported in OD1A. Average fare in 1985 was relatively low at $80.55. The average yield in that year was $0.172.

TABLE 2-10

TRAFFIC AND SERVICE SUMMARY: SEDONA, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	86	4,548	4,748	3,345	2,457	0
No. of Departures	107	2,734	1,808	1,825	2,177	0
No. of Seats	856	23,024	24,502	25,550	19,543	0
Average Aircraft Size	8	8	14	14	9	0
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	1	2	2	1	2	0
No. of Nonstop Markets	1	2	2	1	2	0
Average Fare (1997 dollars)	$0.00	$119.70	$0.00	$0.00	$0.00	$0.00
Average Yield	$0.000	$0.172	$0.000	$0.000	$0.000	$0.000

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts
Enplanement data obtained from Sedona Airport Master Plan Update-Revenue Passenger Enplanements

J. Show Low (Show Low Municipal Airport)

A summary of the history of the past 15 years of traffic and service at Show Low is presented in **Table 2-11**. Over the past 15 years, Show Low has experienced periods with and without scheduled passenger service. Both 1985 and 1991 were years in which there was no commercial service in Show Low. No pattern is recognizable in terms of service at Show Low. Enplanement levels have remained relatively low, with the highest enplanement level in 1994 at 3,156. The number of departures was also at its highest level in 1994 with 1,071. In 1997, the average aircraft size increased from 10 seats to 19 seats. As the aircraft size increased, the number of departures decreased. Larger aircraft offset the decrease in the number of departures, for an overall total increase in the number of seats.

Major/national carriers have not served this market in the past 15 years. Historically, the Show Low market has been served by one or two smaller regional/commuter carriers. Carriers that served the market include: Great Lakes, Arizona Pacific, and Scenic Airlines. In 1997, Scenic Airlines provided scheduled passenger service to the market. Up to three nonstop markets have been served from Show Low. In 1997, Scenic flew scheduled routes between Show Low and the following cities in Arizona: Page, Phoenix, and Tucson. Average fare and average yield for the sampled years were not reported in the ODIA.

TABLE 2-11

TRAFFIC AND SERVICE SUMMARY: SHOW LOW, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	832	0	548	0	3,156	1,300
No. of Departures	410	0	0	0	1,071	755
No. of Seats	3,690	0	0	0	10,430	14,345
Average Aircraft Size	9	0	0	0	10	19
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	1	0	0	0	2	1
No. of Nonstop Markets	2	0	0	0	1	3
Average Fare (1997 dollars)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Average Yield	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

K. Sierra Vista (Sierra Vista Municipal Airport)

A summary of the history of traffic and service at Sierra Vista is presented in **Table 2-12**. Sierra Vista has had scheduled passenger service throughout the 15-year period. Generally, enplanements have increased over time, although they remained generally consistent from 1994 to 1997. The number of departures has also remained relatively stable throughout the years, with the exception of a peak in 1988 with 3,422 departures. Average aircraft size has increased over the 15-year period from an average aircraft size of seven seats in 1982 to 19-seat aircraft from 1991 to 1997. The total number of seats has followed this general pattern with the exception of a peak in 1988, due to the larger number of departures.

The Sierra Vista market has been served exclusively by commuter carriers; there have been no scheduled major/national flights during this time. The number of commuter carriers has slowly diminished over the past 15 years. From 1982 to 1988 there were three commuter carriers serving the market. The number of carriers decreased to two in 1991 and then to only one carrier in 1994 and 1997. There have been several different commuter carriers that have served the Sierra Vista market; however, Mesa has been the single carrier since 1994. The number of nonstop markets served has followed a similar pattern to the number of commuter carriers. Since 1994, service to Phoenix has been the only nonstop destination. Average fares from Sierra Vista have been declining since 1991. Average fares for 1982 and 1985 were not reported in OD1A. Average yield increased from 1988 to 1994, but remained stable in 1994 and 1997.

TABLE 2-12

TRAFFIC AND SERVICE SUMMARY: SIERRA VISTA, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	242	79	3,293	10,555	12,288	12,014
No. of Departures	2,446	1,415	3,422	1,112	1,240	1,337
No. of Seats	17,744	8,719	33,743	21,128	23,560	25,403
Average Aircraft Size	7	6	10	19	19	19
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	3	3	3	2	1	1
No. of Nonstop Markets	5	3	3	2	1	1
Average Fare (1997 dollars)	$0.00	$0.00	$246.28	$237.74	$187.23	$153.61
Average Yield	$0.000	$0.000	$0.975	$0.128	$0.160	$0.160

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

L. Winslow (Winslow Municipal Airport)

Table 2-13 provides a summary of the traffic and service history of the Winslow market. Winslow has been without scheduled passenger service since 1991. From 1982 to 1988 enplanement levels were relatively low, with the highest level in 1985 with 645 enplanements. The number of departures were higher in 1982, but decreased to remain constant in 1985 and 1988. The number of seats also dropped slowly from 1982 to 1988. Average aircraft size has varied between eight (8) and 11 seats.

Major/national carriers have not served the Winslow market. The market has been served by commuter carriers including: Sun West, Cochise Airlines, and Golden Pacific. Nonstop markets served from Winslow included Phoenix which was served in 1982, 1985, and 1988. Other destinations which historically could be reached by a non-stop flight included Gallup, NM, which had service in 1982 and 1985 and Flagstaff which had service in 1985. Average fare and average yield data for the past 15 years were not available from the OD1A.

TABLE 2-13

TRAFFIC AND SERVICE SUMMARY: WINSLOW, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	157	645	110	0	0	0
No. of Departures	995	673	627	0	0	0
No. of Seats	7,960	7,545	5,643	0	0	0
Average Aircraft Size	8	11	9	0	0	0
No. of Major/National Carriers	0	0	0	0	0	0
No. of Commuter Carriers	2	2	1	0	0	0
No. of Nonstop Markets	2	3	1	0	0	0
Average Fare (1997 dollars)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Average Yield	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

M. Yuma (Yuma International Airport)

A summary of the history of the past 15 years of traffic and service at Yuma is presented in **Table 2-14**. Enplanement levels rose in 1988, then fell slightly in 1991 and 1994. Enplanements reached a high of 76,969 in 1997. The number of departures has remained relatively constant with a low of 6,683 departures in 1991 and a high of 8,303 departures in 1994. In 1982, the average aircraft size was 17 seats. The average aircraft size peaked in 1988 with 26 seats and slowly declined to 22 seats in 1994 and 1997. This has caused a similar shift in the total number of seats available in the market.

During the past 15 years, Yuma has been served by a number of commuter carriers as well as a major/national carrier in 1988. The major/national carrier was America West Airlines who served Phoenix with a 113 passenger Boeing 737. SkyWest has been a consistent commuter carrier throughout the past 15 years. Other commuter carriers that have served the market include: American Eagle, America West, Mesa, and United Express. Markets served from Yuma in the past 15 years include: Blythe, CA; Elko, NV; Las Vegas, NV; Ontario, CA; Palm Springs, CA; San Diego, CA; and Tucson, AZ. In 1997, El Centro, CA; Los Angeles, CA; and Phoenix, AZ, were served from Yuma. These reported points of service also include charter carrier service. Average fares have varied from a low of $115.92 in 1988 to a high of $201.91 in 1994. Average yield incrementally increased from 1982 until 1994. In 1997, average yield fell to its lowest level in 15 years at $0.132.

TABLE 2-14

TRAFFIC AND SERVICE SUMMARY: YUMA, 1982-1997

Measure	1982	1985	1988	1991	1994	1997
Enplanements	36,496	47,900	73,524	60,274	67,880	76,969
No. of Departures	7,293	7,723	7,182	6,683	8,303	7,230
No. of Seats	124,704	142,569	185,136	163,701	185,857	158,413
Average Aircraft Size	17	18	26	24	22	22
No. of Major/National Carriers	0	0	1	0	0	0
No. of Commuter Carriers	5	2	3	2	2	3
No. of Nonstop Markets	6	4	6	4	3	3
Average Fare (1997 dollars)	$300.43	$277.44	$154.94	$187.51	$216.41	$145.93
Average Yield	$0.135	$0.141	$0.147	$0.150	$0.151	$0.132

Source: OAG; U.S. DOT 10 Percent Ticket Survey; BACK-OD1A; FAA Terminal Area Forecasts

3. SOCIOECONOMIC AND DEMOGRAPHIC DATA

As part of the examination of air service needs in Arizona, it is also important to consider socioeconomic and demographic statistics such as population, employment, and income. These factors typically contribute to the level of demand for commercial air service. These factors were reviewed on a statewide and county-specific basis to indicate where growth is anticipated within Arizona. **Table 2-15** presents county-specific data on the county seat, population, employment, and primary employment sector.

A. Population

Arizona's population was estimated at over 4.66 million people in 1998. Currently, Arizona is ranked 23rd in terms of being the most populous states. Arizona's population has experienced over a 21 percent growth since 1990. According to the U.S. Bureau of the Census, Population Division, by 2025, Arizona is projected to be the 17th most populous state with over 6.4 million people.

The population of Arizona is heavily concentrated in the Phoenix and Tucson metropolitan areas. Phoenix is the sixth largest city in the U.S. with a population of 1.2 million, ahead of San Diego, Dallas, San Antonio, and Detroit. From 1990 to 1996, the Phoenix metropolitan area had the fifth largest population gain nationally. During that same period, Chandler was the second fastest growing city in the nation (59 percent increase) and Scottsdale ranked as the seventh fastest growing city with a 34 percent growth in its population. Pima County's, where Tucson is located, 1997 population was 780,150, a 17 percent increase since 1990. Maricopa County's population for 1997 was estimated at 2.7 million, up 27 percent from 1990. Maricopa, the fifth largest county in the U.S., has grown more than any other county in the nation since 1990.

As shown in Table 2-15, following Maricopa and Pima counties, in terms of population, the next largest counties are Yavapai, Yuma, and Mohave counties. Each of these counties accounts for approximately 3 percent of the State's population.

B. Employment

Employment within Arizona is strong, with Arizona's unemployment rate among the lowest in the U.S. According to the Arizona Department of Commerce, the State's unemployment level is estimated at 4.1 percent (May 1998); this level is the lowest level experienced since 1970. According to the *Business Journal*, from 1993 to 1998, Arizona had the second highest job growth rate in the U.S. with a 33 percent increase that translated into more than 2 million jobs. Many of these jobs have been in high technology industries.

TABLE 2-15

Arizona Department of Transportation
Arizona Air Service Study

SOCIOECONOMIC DATA

County Name	County Seat	Estimated Population 1/	Labor Force 2/	Primary Employment Sector
Apache	St. Johns	65,333	20,375	Government
Cochise	Bisbee	116,737	42,225	Government
Coconino	Flagstaff	115,920	57,900	Government
Gila	Globe	46,216	18,925	Services/Misc.
Graham	Safford	32,243	11,400	Government
Greenlee	Clifton	8,739	4,316	Mining/Quarrying
La Paz	Parker	18,764	6,525	Trade
Maricopa	Phoenix	2,721,761	1,335,100	Services/Misc.
Mohave	Kingman	132,659	61,900	Trade
Navajo	Holbrook	85,481	31,050	Government
Pima	Tucson	799,375	371,298	Services/Misc.
Pinal	Florence	148,648	53,850	Government
Santa Cruz	Nogales	35,852	15,725	Trade
Yavapai	Prescott	139,480	60,850	Services/Misc.
Yuma	Yuma	128,171	68,850	Trade
STATE		4,595,379	2,160,289	

Notes: 1/ Arizona Department of Economic Security
2/ U.S. Bureau of Economic Analysis & Arizona Department of Commerce

The 10 largest employers in Arizona, according to the *Arizona Republic*, include the following:

- Motorola
- AlliedSignal
- Wal-Mart Stores
- American Express
- America West Holdings
- Bank One Arizona
- Smith's Food and Drug Centers
- Honeywell
- Safeway
- Intel

The industrial sectors employing the majority of Arizona residents include agriculture, construction, finance, government, insurance, manufacturing, mining, public utilities and transportation, real estate, services, and wholesale and retail trade.

C. Income

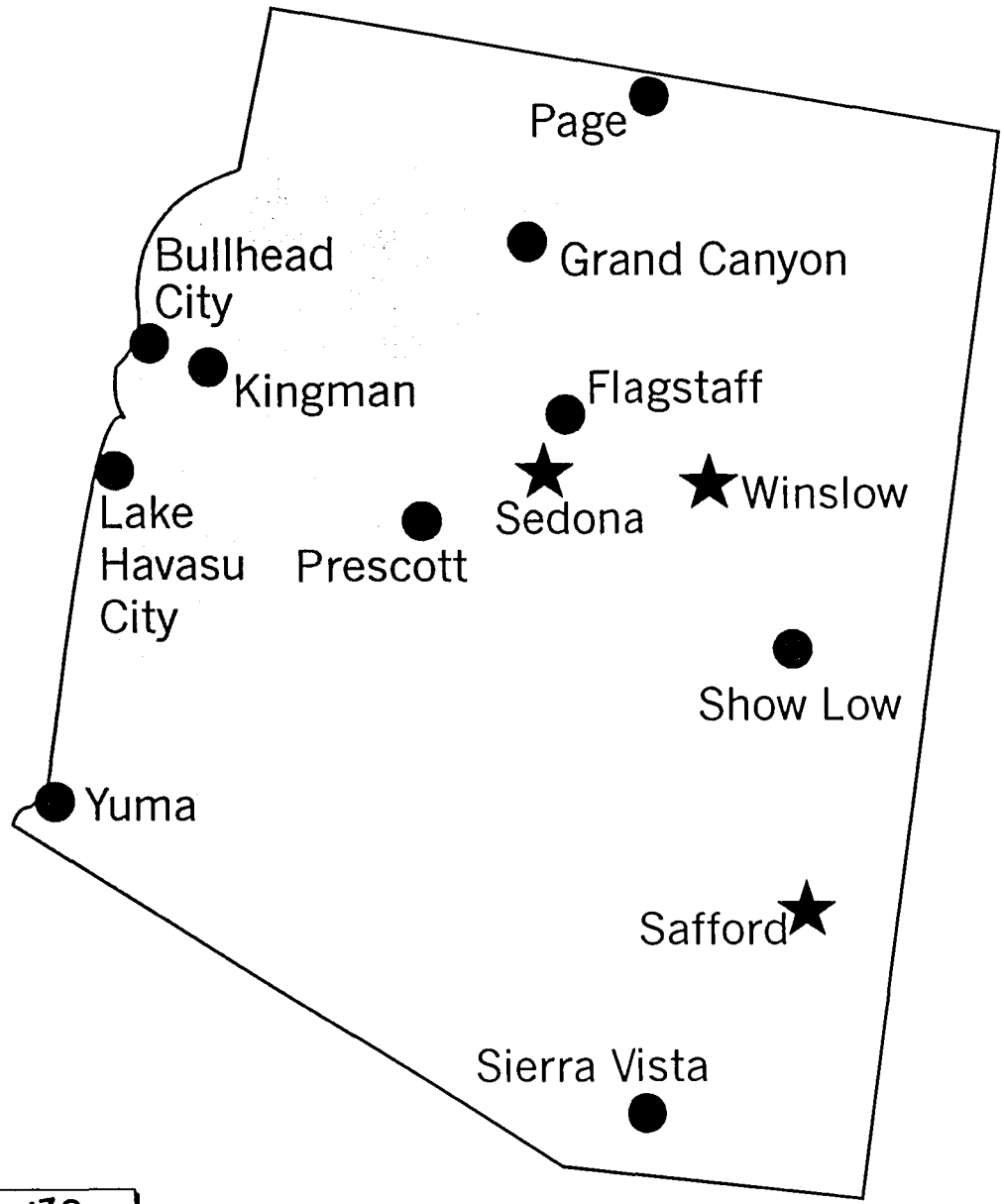
Per capita personal income in Arizona increased at an average annual rate of 4.5 percent over the most recent five-year period for which data were available (1991 to 1996). At $21,363, the per capita for personal income, the State ranks 35th among the 50 states. Between 1981 and 1991, personal income increased from $9,819 per person to $12,733 per person. When comparing Arizona's total personal income with national averages, Arizona has experienced greater percentage changes since 1991. This indicates that personal income in Arizona is growing at a rate faster than that of the national average.

D. Summary of Data

The socioeconomic and demographic data presented in this section will be considered in subsequent analyses to determine the level of demand for commercial air service that is associated with individual airport service areas being analyzed in this study.

4. AIRPORT MEETING SUMMARY

To provide a basis for understanding community-specific issues related to commercial air service in Arizona, meetings were held in each of the communities that currently have scheduled commercial air service, except Phoenix and Tucson, and communities who have expressed interest in restoring commercial airline service. In all, 13 meetings were held throughout the State from July 27, 1998, to August 7, 1998. **Exhibit 2-1** depicts the locations in which study related meetings are held.



LEGEND

- Existing Service
- No Service

Air Service study

Communities Analyzed in Study

EXHIBIT 2-1

A. Bullhead City (Laughlin/Bullhead City International)

Due to the nature of the airline passenger activity at the Laughlin/Bullhead City International Airport, meetings were held individually with each of the gaming hotel operators in Laughlin and the Executive Director of the airport. These meetings were conducted on July 28 and 29, 1998 at the hotel properties. There are currently 11,000 hotel rooms located in Laughlin to serve the gaming industry. The number of visitors to Laughlin averages 4 million per year; the highest level of annual visitors was 4.5 million in the late 1980s. The Bullhead City/Laughlin area is primarily a resort destination with gaming and water recreational activities.

The Laughlin/Bullhead City International Airport is relatively new, with facilities to accommodate large jet aircraft, including the Boeing 727. When the community meetings were held, the airport was served by America West Express (Mesa Airlines) with Beech 1900 aircraft. These flights were linked with flights to Lake Havasu City, with a stop en route to Phoenix in Lake Havasu or continuation of the flight from Bullhead City to Lake Havasu City. More recently, service to Bullhead City has been direct to Phoenix with no intermediate stop.

Historically, scheduled air service was provided by Morris Air, a Utah-based carrier who used Boeing 737 aircraft to serve the market. Service was provided from Bullhead City to Salt Lake City, Oakland, San Jose, and Los Angeles and proved to be very successful. When Southwest Airlines acquired Morris Air, service was discontinued; Bullhead City did not fit into Southwest Airlines' service plans to serve very large metropolitan markets. Reno Air entered the marketplace after Morris left, providing service with MD-80 series aircraft. Service by Reno was discontinued due to conflicts with management personnel, not due to a lack of passenger traffic. Since Reno Air left in 1996, the market has been served only regularly by Mesa. In addition to Mesa, charter service is available at the airport primarily on a seasonal basis. Sun West and Sun Country are the two primary charter operators who have provided air service in the market. These operators typically provide seasonal service, with the prime season identified as October to April. In addition, Laughlin Air Jet, a charter service operated by the Flamingo Hilton in conjunction with the Edgewater, provided service to various markets using a "wheel" system. The wheel system provided service to the same city approximately every four to six weeks; Laughlin served as the hub of the "wheel" with spoke service to markets in the Midwest and southern California.

Gambling/gaming operators, as part of the Laughlin Tourism Committee (LTC), have recently been working together to bring regularly scheduled, large commercial jet service back to Bullhead City. This represents a change in philosophy of the gaming operators who have traditionally not made a cooperative effort to unify the airline and gaming industries to benefit the entire community. The LTC has met with several carriers to discuss commercial air service, but has not yet received any additional service (September 1998). It is

anticipated that Laughlin Jet Express will enter the Bullhead City market. This carrier and the LTC have entered into an agreement for the carrier to provide service to Laughlin/Bullhead City using a Boeing 737-200 or MD-80 with one flight each day to six different cities. Plans for this airline show a growth to three aircraft, eventually providing 18 daily nonstop departures. This agreement is an exclusive five-year pact that prevents the signing members from subsidizing or providing marketing incentives to other carriers to enter the Bullhead City market. Although a direct subsidy is not being provided to the carrier in advance of service being provided, the gaming properties will pay a fixed fee for every passenger that uses the airline. In addition, monies have been appropriated from the room taxes collected in the area for the community to use to market the airline service. These marketing dollars were not required as part of the agreement with the airline, but have been identified to help ensure the success of the airline.

The majority of the gaming operators indicated that, currently, the majority of their visitors are located within a six-hour drive of Bullhead City/Laughlin. Although some operators noted that air service is important to the long-term future of the area, the current market appears to be more of a driving market. Several reasons were noted for why the area is a driving market. These reasons included proximity to Las Vegas; the high percentage of senior citizen travelers who travel to this market; and the fact that the market attracts a more mid to low-end gaming traveler who concentrates on spending in the casinos versus on transportation to the area. It is anticipated that gaming areas such as Laughlin could see a decline in visitors due to competition from the Indian gaming industry. Gaming on Indian properties and on river boats has impacted smaller gaming resort areas such as Laughlin because they attract the same type of visitor.

In terms of air travel, by area residents, it was noted that the population of Laughlin is approximately 7,000, while Bullhead's population is nearly 29,000. Approximately 15,000 to 20,000 people are employed in the gaming industry in Laughlin. This number has declined in recent years, however, the level of employment in Bullhead City has increased in recent years.

The most important air service issues identified by the gaming operators were that service should be affordable, convenient, regularly scheduled, frequent, and should be provided with larger aircraft. The largest markets identified in terms of origins and destinations included Phoenix, Los Angeles, San Diego, Long Beach, and Fresno.

B. Flagstaff (Flagstaff-Pulliam Airport)

The Flagstaff meeting was held on Tuesday, August 4, 1998, at 1:00 p.m. This meeting was held at the Flagstaff Pulliam Airport conference room. In attendance were representatives from the City of Flagstaff. The Flagstaff Pulliam Airport terminal is relatively new and provides ample space for passengers in a light, airy atmosphere. Mesa, operating as America

West Express, is the only commercial service carrier in the Flagstaff market. Mesa provides seven daily nonstop flights to Phoenix, meeting all of the America West connecting banks in Phoenix. Mesa recently switched from the 19-seat Beech 1900 aircraft to the 37-seat Dash- 8 aircraft. The increase in aircraft size was offset by a decrease in frequency. This led to an overall decrease in the number of available seats, but has had a limited impact on enplanements. Historically, Flagstaff has experienced an increase in enplanements when service was provided by more than one carrier or when frequencies were increased. Enplanement levels at Flagstaff tend to mirror shifts in service. When the frequency has been increased to more than 10 flights a day or fares have been lowered, there has been a 25 percent increase in enplanements.

The major air service concerns of the community are related to the reliability of service from Mesa and reasonable fares. In late December 1997, one of the busiest air travel times for Flagstaff, Mesa reportedly canceled nearly half of its flights; this caused a bitterness in the community toward this carrier. Enplanement levels in 1998 are approximately 10 to 15 percent lower than enplanement levels at the time last year; the declining level of enplanements is attributed to the lasting impression Mesa has made on the community. Flagstaff is currently conducting an independent air service analysis and is pursuing additional airline service by carriers such as Sky West via a United code-share to Los Angeles or a Delta code-share to Salt Lake City.

Flagstaff is the largest population and business center in northern Arizona, and the airport is interested in becoming the "regional" airport for the northern part of Arizona. It was felt by those in attendance at the meeting that service to an additional hub is critical to keep up with the growing Flagstaff community.

Most of the passenger leakage from this market is to Sky Harbor International Airport in Phoenix; this airport is located approximately two hours south of Flagstaff. Ground access from Flagstaff is relatively convenient on Interstate 17. Flagstaff is also served by Amtrak, who provides an additional/competing means of transportation to the area. Amtrak is used primarily by tourists to the area. Another primary concern in the community is the price of airline fares. Those in attendance indicated that in July 1998, fare prices were raised considerably by Mesa/America West Express. It was estimated by the community that fares to Phoenix in particular experienced approximately a 40 percent increase. It is believed that an additional carrier would provide competition, reduce fares, and increase the reliability of service to Phoenix, all of which were identified as being necessary by the community to adequately serve this growing and active market.

In 1995, a campaign called "Fly Flagstaff" was developed to encourage travelers to fly from the Flagstaff Pulliam Airport. The Chamber of Commerce, Convention Bureau, and airport worked together with travel agents to promote the campaign. Pressure was also put on

America West to reduce fares. The campaign had a significant impact and lasted for about two years. There is now discussion of reintroducing this campaign.

Flagstaff not only has a sizable resident base for commercial airline travel base, but also has a strong business and tourism base. Summer is a particularly busy period in Flagstaff, as tourists travel to the State. Flagstaff is the closest major city to the Grand Canyon and is often a tourist stop along the way. Sedona, the Painted Desert, and Lake Powell are all in proximity as well. Skiing at the local Snow Bowl is also an attraction in the winter months, primarily January and February. Flagstaff is also home to Northern Arizona University which produces a large traveling population during late summer, the Christmas season, Spring Break, and early summer. Other attractions such as a high altitude sports training center are located in Flagstaff produce a notable draw to the area; this training center will become even more attractive to Olympic athletes as they train for the 2002 Olympics in Salt Lake City. Other activities such as the World Export Meeting, film festivals, and book festivals bring visitors to Flagstaff on a consistent basis.

As the county seat, Flagstaff has many city, county, and State representatives that have a need for business travel. Other possible users of the airport include large businesses or institutions located in the area. Some of these include NAS, Purina, W.L.Gore, Walgreens, Northern Arizona University, the Medical Center, Park Service, and many more. Flagstaff residents are largely employed by the public sector.

C. Grand Canyon (Grand Canyon National Park Airport)

A meeting was held with the airport manager at Grand Canyon National Park Airport on Friday, July 31, 1998, at 11:00 a.m. The Grand Canyon National Park Airport is the most unique airport in the Arizona system. The airport has 47 leases with 47 different tour groups to provide access to the Grand Canyon. Approximately 65 percent of the tours originate in Las Vegas, with most of them serving international passengers. During peak summer months, flights depart from the airport approximately every 15 minutes between the hours of 8:00 a.m. and 5:00 p.m. Many of the passengers who use this service never even pass through the terminal. Many tours groups go directly from the aircraft to a tour bus that takes them to the area sights.

The local population base of the Grand Canyon totals approximately 2,500, far less than what would be needed to sustain commercial air service without the tourism traffic. Historically, several carriers have attempted to provide air service without guaranteed tour seats and have failed. Even a carrier operating a 14 seat aircraft to Phoenix was unable to make a profit. From the carriers' perspective, it is getting more difficult to fly the route between the Grand Canyon and Las Vegas, primarily due to environmental reasons. Environmentalists are continually pushing for stricter standards regarding flying over the Grand Canyon. Laws require carriers to take an air route around the Grand Canyon rather than over it, increasing

the stage length from the Grand Canyon to Las Vegas. It is expected that these limitations will become even stricter, requiring carriers to fly even further around the Canyon, again increasing the stage length. Increasing the stage length increases costs and may make routing tours through Phoenix more advantageous.

Another issue that the airport must consider in its ability to support scheduled commercial airline service is the lack of a rental car agency. Rental car agencies have been successful in the summer months, however, they are restricted in the way that they can adjust their operation during the winter months. The agencies are prohibited from decreasing their fleet size or staffing, making it impossible for an agency to be profitable during the winter. This has driven rental agencies away from the airport; leaving passengers without access to rental cars. There is also a lack of food service in the existing terminal, primarily because of the shortage of space.

D. Kingman (Kingman Airport)

The Kingman meeting was held on Monday, August 3, 1998, at 10:00 a.m. Bob Najaka, the Airport Operations Manager, hosted the meeting in the Airport Conference Room. Representatives from businesses in the community that frequently use air service attended the meeting to discuss the statewide air service study and issues and concerns regarding air service in Kingman.

A major issue in Kingman is persuading travelers to use existing air service. Airport personnel understand it is difficult to improve air service if existing service is not being utilized. From the fall 1996 to December 1997 there was a drastic cut in Essential Air Service (EAS) funding. As a result, Mesa Airlines decreased Kingman's service from 19 to10 flights a week, with no weekend service. This led travelers to go elsewhere for air transportation service. In 1998, frequency was increased to 26 flights a week. Service in this market has been dependent on the EAS subsidy.

According to the meeting participants, the community is also in need of affordable service. Travelers are content with Mesa's connecting fares through Phoenix; however, when Phoenix is the final destination, the fares are considered too high. This is a primary concern for Kingman's businesses who most frequently use air service to Phoenix; these travelers are very conscious of airline fares. In the past, coupon books were available for flights to Phoenix. The community would like to have the option of buying these discounted tickets in order to avoid 14 day advance purchase tickets.

Historically, Kingman also had service to Las Vegas. Results of a Travel Agency Air Service Study conducted by the Kingman Airport indicate, that this market continues to have demand for this destination. As a result, the community is marketing Mesa and other airlines to provide service to Las Vegas. The airport has suggested to America West representatives

a routing that provides service from Las Vegas to Kingman and Prescott and then on to Phoenix.

Articles were released in a local newspaper announcing Mesa's elimination of air service to Kingman. This inaccurate information caused great confusion and anxiety in the community. Kingman residents worked with Mesa and America West to educate travelers concerning the continued availability of air service and to provide accurate, up-to-date information to the traveling public. Representatives at the meeting commented on the fact that Mesa's subsidy includes advertising and marketing costs which are not being used resourcefully. This information was brought to Mesa's attention, but Mesa has not acted. In the past, Mesa used such funds for promotions and free tickets.

The Air Service Subsidy Agreement with Mesa was recently renewed. At this point, other carriers are not pursuing the Kingman market; other carriers are apprehensive about bidding against Mesa. Those in attendance at the meeting expressed a strong desire for the community to preserve existing air service.

E. Lake Havasu City (Lake Havasu City Municipal Airport)

The town meeting for Lake Havasu City was held on Friday, July 31, 1998, at 11:00 a.m. The meeting was held in the office of Ted Swendra, the Airport Manager, at Lake Havasu City Municipal Airport. Representatives of the community included Mr. Swendra and Kenneth Gates, Executive Director for the Lake Havasu Area Chamber of Commerce.

The Lake Havasu Airport relocated to its present site in June 1991. Prior to 1991, the airport supported three carriers, with scheduled flights to Los Angeles and Las Vegas. Havasu Airlines, a low-cost carrier from Lake Havasu to Las Vegas, captured a large portion of the community's market; this airline went out of business. In the 1991 time frame, the airport averaged 16,000 enplanements per year. Enplanements have declined to roughly 11,000 enplanements per year. The decrease in passenger demand over the past several years is, in part, a result of the absence of service to Las Vegas and Los Angeles. Las Vegas remains the most sought after destination from Lake Havasu. The community desires inexpensive scheduled airline service.

The community relies heavily on their scenic attractions for economic security. Lake Havasu draws tourists to see the reconstructed London Bridge and a replica of an English village. The community has minimal business travel; primary demand for business related air service comes from Citizens Utility Company, with occasional demand from local boating, tool and dye, and plastic manufacturers. Business demand will likely increase as the City makes an effort to increase its industrial and commercial development.

Lake Havasu has a large population of retired residents. These residents do not regularly use the airport facility nor do they generate a great demand for commercial air travel. Those in this segment of the population that do travel typically drive since they have flexible schedules and a fixed income. Winter visitors, referred to as "snowbirds", do in fact increase the demand for air service and the population in Lake Havasu during the winter season.

The primary factor impacting the demand for air service demand is high airline fares. Many residents prefer driving to Phoenix for their originations. The recent jump in Mesa Airline's prices reportedly impact many air travelers in this market.

Lake Havasu is making little effort, at this time, to work with Mesa on reducing fares. Historically, the community has not been pleased with Mesa's willingness to respond to the community's needs. Mesa has ignored fare issues and has stated they will only lower fares if Lake Havasu subsidizes service. Baggage handling is also a major complaint. Other airlines have been interested in serving as a carrier for this market; however, none of these airlines want to compete with Mesa. The community has experienced a lack of support for instituting a task force to contend with the air service concerns of the community.

Lake Havasu City Municipal Airport has undergone many recent improvements; there is also a runway extension to 8,000 feet in progress. Most of the community and council members are supportive of airport development. The airport is a critical piece of infrastructure for the economic growth of Lake Havasu.

F. Page (Page Municipal Airport)

A meeting for the Page community was held on Wednesday, July 29,1998, at 1:30 p.m. The meeting was held in the terminal building conference room at Page Municipal Airport. Page Municipal is an Essential Air Service (EAS) airport served by Scenic Airlines. Great Lakes Airlines, the previous carrier, pulled out of the Page market in late summer 1996. This left the Page community without scheduled air service for approximately nine months until May 1997 when Scenic Airlines started commercial service to Sky Harbor International in Phoenix. Service was initially started with a nine passenger single-engine aircraft. The general attitude of the community toward Scenic Airlines was very positive, because the community was happy to regain its scheduled service. As of March 1998, Scenic started operating a 19-seat aircraft. Scenic provided three daily scheduled flights to Sky Harbor International: 6:30 a.m., 10:10 a.m., and 4:20 p.m. As this report was being finalized, scheduled airline service to the Page market was transferred to Sunrise Airlines; this carrier plans to continue to serve the market with 19-seat Jetstream 31 aircraft.

Those in attendance at the meeting expressed primary concern for the cost of flying from Page in addition to other factors that may be inhibiting the level of demand. Fares from Page to Phoenix are perceived as very expensive; for this reason, travelers find alternative means

of transportation to and from Page. Fares to Phoenix range between $150 to $250, depending upon the advanced purchase discount. Fares were not discounted if the traveler was connecting in Phoenix because Scenic did not have a code-sharing agreement with a connecting carrier in Phoenix until August 1998. Scenic did code-sharing with Delta and baggage could be checked to a traveler's final destination. Since Sunrise does not have a code sharing agreement with any of the major airlines serving Phoenix, the market will again be impacted by fare and baggage issues which are common to all non-code sharing airlines.

Community concerns about airline reliability are also an issue, although Scenic provided greater reliability than previous carriers. Scenic flights operated at a reliability rate of approximately 85 to 90 percent. The airline's Beech 1900 aircraft was out of service three times in July 1998 for mechanical problems. Scenic did not have a backup aircraft to serve flights when the Beech 1900 was down and parts for the aircraft were no kept in Page; this extended the aircraft's down time for mechanical problems. An additional concern is that the scheduled flights are inconvenient, or perhaps are not meeting the major banks in Phoenix. Those in attendance at the meeting felt that Scenic provided little advertising in the community. Those attending the meeting expressed their view that any carrier serving the market should actively participate in advertising their service. Public perception about Scenic was somewhat tarnished due to three Scenic tour plane crashes. Although the crashes were Scenic Airline tours, based at Page Municipal and not scheduled flights, the Scenic name still suffered.

Commercial service users include both business and discretionary travelers, although most of the local travelers using the airport are flying for business purposes. Page residents typically drive five hours from Page to Phoenix (Sky Harbor International) when traveling for vacation. While the discretionary travelers are typically more price sensitive, the business travelers are typically more time sensitive. Business travelers are concerned with reliability and frequency. Demand from visitors is another way to improve air service. Options for increasing visitor use of the airport include package deals that would include airfare. Page and its surrounding areas have a high level of tourist traffic in the summer months, primarily due to Lake Powell. Increased frequency or additional service is driven by increased demand which would be enhanced through package deals.

G. Prescott (Ernest A. Love Field)

The meeting for the Prescott market was held on August 5, 1998, at 12:00 p.m. The meeting took place in the Prescott Municipal Airport conference room and was attended by Rick Severson, the Airport Manager, who represented the community of Prescott. Enplanement levels at Prescott Municipal have dropped significantly since January 1989, when Mesa began serving the market. The primary catalyst for this deterioration in demand is believed

to be increased fares. Many residents of Prescott are retired, relying on fixed incomes. A secondary element in passenger deterioration is Mesa's customer service.

Recently, Mesa's number of canceled and delayed flights have increased, and the airline has cut scheduled flights. Customers have lost trust and confidence in air service due to these factors. Mesa does not market their service to the community. This has caused problems for the airport because most residents of Prescott are unaware of the commercial air service available to them. Shuttle vans transporting numerous travelers to Phoenix have become major competition for the airport. These vans advertise on radio and television and in the telephone directory. The community believes that Mesa does not advertise because they receive EAS funding. The airport station manager for Mesa has taken it upon himself to promote airline service in the community. Attempts have been made to resolve these issues with Mesa but, the airline, reportedly, is unwilling to cooperate.

Another factor in the airport's decline in passenger is Airport facilities have been neglected for many years. The condition of facilities at the airport has also led to the decline in the number of passengers utilizing the airport. The city has never made it a priority to improve the airport. Recently, the airport received a grant for $300,000 to build a screening area, pave its parking lot, add lighting, and resurface the ramp in the boarding area. Although the city has not created an air service task force, the airport has completed a master plan for a runway extension and a new airline terminal. A business plan for the airport identifies airline service as a critical need for the community.

The community has responded positively to the improvements being made at the airport. The airport's goals are to catch up on neglect of the facility, build upon their regional service, obtain service to Los Angeles, and eliminate Ernest A. Love Field from the name of the airport. "Prescott Municipal Airport" could bring greater recognition of the airport.

Currently, air service is predominantly used by business travelers. The local businesses appreciate the available service. The students and faculty of Embry Riddle Aeronautical University, the largest flight training center in the United States, also frequently make use of the airport and value the convenience of the airport.

H. Safford (Safford Regional Airport)

The first of the meetings in southern Arizona was held in Safford at the Phelps Dodge Room in the Safford-Graham County Public Library. The meeting was held on Monday, July 27, 1998, at 9:00 a.m. Persons from Safford and Greenlee County were invited to the meeting to discuss the Arizona Air Service Study and the area's need for scheduled commercial airline service.

Meeting attendees were from Safford, Graham County, and area business interests. Representatives from Phelps Dodge also attended the meeting, as did representatives from Greenlee County government.

Currently, the Safford/Greenlee County area does not have scheduled commercial air service. The majority of this market's passengers are driving to either Phoenix or Tucson to access the national air transportation system. Some Phelps Dodge employees use air charter service from Silver City, New Mexico, to fly to Phoenix. Phelps Dodge representatives also noted that they have a significant number of visitors traveling to the area, including Phelps Dodge employees from other areas and vendors/consultants who could make use of scheduled commercial airline service, if it were available. Phelps Dodge representatives indicated that an internal study of travel within Phelps Dodge shows that if there are three passengers per day traveling, the cost of using air service is worthwhile.

Other potential users of air service include the Federal Bureau of Prisons, Impressive Labels, and Open Loop Energy. There are also several other local employers who generate air travel demand including Mt. Graham Hospital, Bureau of Land Management, University of Arizona, and Eastern Arizona Community College. The Federal Bureau of Prisons indicated that they have five to eight staff members traveling per month; 14 to 20 prisoner releases per month; and family visitors who travel to and from the region on a regular basis.

It was noted during the meeting that Frontier Airlines provided service to the area prior to Deregulation. Huachuca Air, a local airline, also provided service. This service was provided three times a week, and the airline carried eight to10 passengers a week. To provide access to scheduled commercial airline service after the termination of Huachuca Air, local bus service was initiated. The company used three buses to transport local passengers to the Tucson airport. The service was successful for a year and a half; the company folded due to management problems, not a lack of passengers.

I. Sedona (Sedona Airport)

A town meeting was held to identify the air service concerns of the Sedona community. The meeting was held at the Sedona Airport conference room on Thursday, August 6, 1998, at 9:00 a.m. Representatives from the City of Sedona and Yavapai County were present. The Sedona Airport is owned by Yavapai County and leased out to a non-profit corporation which runs the airport. Since August 1995 when Scenic Airlines left the market, Sedona Airport has been without scheduled commercial service. Sedona is approximately two hours from Phoenix. Most of the market's passengers are driving to Phoenix for commercial airline service. A limited number of travelers from this market also use Flagstaff to begin their commercial airline travel. It is unlikely that traffic destined only to Phoenix would ever use scheduled service from Sedona Airport because of the driving distance. There is,

however, a reasonable potential to serve air travel demand that must go to Phoenix to reach destinations beyond.

Sedona is an affluent market with a definite need for air travel. The need for air travel is primarily from three groups. Seasonal residents who have second homes in Sedona, tourists visiting for vacation, and local residents that travel for both pleasure and business purposes. Although there are not many major businesses or industries in Sedona, there are many self-employed professionals who live in the area who have a need for air travel. There are several options available; travelers are either driving, taking a shuttle bus (approximately $50 to $60 round trip), using charter service, or flying their own planes.

Spring and Fall are the peak seasons in Sedona. Summer months see a lot of traffic passing through to the Grand Canyon. Any type of scheduled airline service would most likely require a seasonal schedule. During July 1998, three different operators approached the airport about scheduled service, including Scenic Airlines. The yearly weather conditions are highly conducive for flying, however, the runway length is only 5,100 feet at a 4,800-foot elevation, making the Beech 1900-D the largest commercial aircraft capable of flying into the airport.

One of the primary concerns of those in attendance at the meeting was fulfilling the requirements necessary for providing scheduled passenger service. Additional employees would need to be hired, as well as appointments to meet ARFF requirements. A security screening and sterile area would also be needed. Although scheduled service could provide additional revenue to the airport, compliance with requirements to provide this type of service require investments and must be evaluated by the city and county. The suggestion was made to organize a task force which would explore the issues related to air service and provide support to the airport. It was felt that a frequency of four flights per day would be necessary to make scheduled service worthwhile in the community.

J. Show Low (Show Low Municipal Airport)

A meeting at the Show Low City Hall was held on Monday, July 27, 1998, at 2:00 p.m. Representatives from the City of Show Low and the Town of Pinetop/Lakeside attended the meeting to discuss the Arizona Air Service Study and the market area's need for scheduled commercial airline service.

Historically, this market has been served by several different commercial carriers that have come and gone over the years. These carriers include Ponderosa, Azpac, Scenic, and Great Lakes. Many years of poor customer service and unreliability of the service led the city to take action to provide reliable passenger service. As of May 14, 1998, the City of Show Low entered into a 10-year agreement with Sunrise Airlines to provide scheduled commercial service to the area. Sunrise currently owns and operates its own Navajo aircraft;

Sunrise provides two regularly scheduled flights a day to Sky Harbor International in Phoenix. Sunrise departs Show Low Municipal at 6:30 a.m. and 4:15 p.m. An additional flight is scheduled at 11:15 a.m. on Mondays and Fridays. The City of Show Low recently purchased a new 200 series King Air that will be converted into a 13- passenger aircraft. This aircraft will be leased to Sunrise Airlines for use in the fall of 1998. The city's agreement with Sunrise entails leasing the city-owned aircraft to Sunrise with a guarantee for a certain level of profit. In exchange, the city expects safe, reliable scheduled air service between Show Low and Phoenix. Since Sunrise has been in operation at Show Low Municipal, reliability has been excellent and there has been a good response from the community. At this time, Sunrise has no code-sharing or baggage agreement with connecting airlines in Phoenix; however, this option is being pursued. Code-sharing would not only make connecting in Phoenix more convenient for travelers, but it would also help reduce the fares from Show Low to destination beyond Phoenix.

Show Low a has tourist-based economy with a population that more than doubles during summer months. Snow skiing also provides an allure during the winter months. Phoenix, a common destination from Show Low, is a four-hour drive over treacherous terrain that can quickly be lengthened due to highway congestion or weather conditions. Currently commercial bus service, vans, or rail do not compete for passengers in the market. Show Low is investigating opportunities for participating in the Essential Air Service (EAS) program.

Much of the Show Low population regularly travels to Phoenix. Most of the destination traffic to Phoenix is currently driving, particularly because of the added expense of renting a car upon arriving in Phoenix if you fly. Primary users of the scheduled service are businesses, with some occasional use by vacation/personal travelers. For people traveling beyond Phoenix, flying Sunrise becomes attractive because it eliminates the additional eight hours added to the round trip and the expense of long-term parking at Phoenix. Vacationers tend to be more sensitive to fares; business travelers are more sensitive to the frequency and reliability of airline service. Aircraft size can also influence a traveler's decision; however, in Show Low, aircraft size is not considered to be a significant concern.

Companies in the area with a need for commercial airline travel include the local government, the Navapache Regional Medical Center, Stone Container, and Suntastic. Historically, the military has been a key user of scheduled service at Show Low. Sunrise Airlines currently does not appear on the military reservation system; therefore flights between Show Low and Phoenix cannot be booked by the military. Those attending the Show Low-Pinetop/Lakeside meeting expressed their belief that there is sufficient demand in this market to sustain increased frequency in the number of flights going to Phoenix.. Increased frequency would ensure that passengers, particularly the dominant business users, are meeting their desired connecting flights in Phoenix without extended layovers. Demand

for Show Low includes ski packages, mail, and air cargo; these additional sources of demand may also help to support scheduled air service in this community.

K. Sierra Vista (Sierra Vista Municipal Airport)

The Sierra Vista meeting was held on Monday, July 27, 1998, at 3:00 p.m. The meeting took place at City Hall. Public Works Department representatives from the community were in attendance. Sierra Vista is a major population center for southeastern Arizona; it is located approximately 70 miles southeast of Tucson. Sierra Vista serves as the main commercial, cultural, and recreational hub of the area. Situated within the city is Fort Huachuca, headquarters of the U.S. Army Information Systems Command and the U.S. Army Intelligence Center and School.

Sierra Vista Airport, collocated with Libby Air Force Base, is a joint-use facility. The military influences the air service needs of the community. It was estimated that Fort Huachuca accounts for 80 percent of all current air travelers. The base is home to many high ranking military officials with travel needs for both business and pleasure. The international population at Fort Huachuca is approximately 16 percent Korean; many of these officers travel to Korea frequently. Mantech, a local consulting firm employing 400 to 500 people, also has a high demand for air service.

Air service marketing within the community is carried out by the Airport Commission, who spends approximately $6,000 per year on television, radio, and billboard advertising. Many of the civilian residents of Sierra Vista opt to drive to Phoenix for air transportation. Sierra Vista has attempted to recapture this part of its market by selling $30 to $40 commuter tickets from Sierra Vista to Phoenix. Many individuals flying will consider this option, but families are more inclined to drive to Phoenix. The current passenger load factor for this market is estimated at 45 percent. It was indicated at the meeting that the Sierra Vista Airport may have a potential market for 50,000 enplanements per year. Representatives at the meeting felt confident that decreases in airline fares would increase air service demand.

Since May 1, 1998, there has been only one canceled flight and five delayed flights, showing relatively good reliability. Mesa is financing the security operations at the airport. Mesa has made a considerable investment in buying used equipment from United Airlines, employing new staff, and training new employees. Sierra Vista Airport only incurs minor expenses related to meeting FAA security requirements for commercial airline service.

L. Winslow (Winslow Municipal Airport)

A meeting for the Winslow market was held at 10:30 a.m. on Tuesday, July 28, 1998, at the Winslow City Hall conference room. Representatives from the City of Winslow were invited to discuss the area's potential for attracting and supporting scheduled commercial air service.

Winslow is one of several markets in Arizona that once had scheduled service. Winslow is located approximately three hours from Phoenix and one hour from Flagstaff. Travelers to this market are driving to these two cities for access to the national air transportation system. The majority of the travelers are driving to Phoenix, as travelers find it is more beneficial.

The Chamber of Commerce indicated that people from out of town frequently call to ask about the availability of scheduled airline service to Winslow. Although there is some resident demand for scheduled passenger service, those attending the meeting believe that the market is probably not large enough to support scheduled passenger service. Winslow is striving to revitalize development to achieve the economic development and tourism it once had. Mild winters and nearby attractions such as craters, petrified wood forests, Indian reservations, and the Painted Desert provide Winslow with a viable tourist base. As the community pursues business and tourist related opportunities, Winslow has found it difficult to attract development without scheduled air service.

Winslow has potential demand for air travel to Phoenix. The railroad, prison, Wal-Mart, APS, Winslow Hospital, City of Winslow, Winslow Unified School District, Northland Pioneer College, and Indian Health Service are some of the groups needing scheduled air service. These groups have found alternative ways of meeting their travel needs. Some rely on corporate aircraft based at Winslow Municipal, while others rely on chartered flights from the airport.

Options that could be explored to bring airline service to Winslow Municipal include tour packages; also, shipping cargo and mail to Winslow could be an additional source of revenue that carriers could consider in order to make flying into Winslow profitable. It was noted that pilots generally prefer landing in Winslow rather than Flagstaff because of the altitude and weather.

M. Yuma (Yuma International Airport)

The Yuma meeting was held on Wednesday, July 29, 1998, at 3:00 p.m. The meeting took place in the airport conference room at Yuma International. Those in attendance to included Mayor Marilyn Young, members of the Chamber of Commerce, employees of Yuma County Airport, and KYMA-TV. Yuma International Airport is currently served by Mesa, functioning as America West Express, with service to Phoenix and Sky West, functioning as United Express, with service to Los Angeles. Both of these airlines have recently upgraded to larger aircraft in the Yuma market.

The primary issue related to air service is intrastate airline fares. Mesa's recent fare increase has resulted in members of the community opting to drive approximately four hours to Phoenix, as opposed to flying. Higher fares threaten Yuma with the possibility of a decreased winter tourism base and decreased economic development opportunities.

Those attending the meeting indicated concerns with Mesa. As a result of unreliable service, including numerous delayed and canceled flights, Yuma would like to replace Mesa's service with a new regional carrier. An Air Service Task Force, created by the City of Yuma, was established in response to air service complaints. This group, comprised mainly of business representatives, attempted to meet with Mesa in an effort to improve air service. Community members attending the meeting noted that many people have started using Sky West service to Los Angeles instead of America West Express to Phoenix due to Mesa's unreliability.

In addition, Mesa appears to have made little effort to promote and market scheduled service in Yuma; this lack of marketing is an issue with the community. The airlines have ignored Yuma's requests for improved advertising strategies, and as a result, may have lost a segment of their market to other transportation services. Chartered vans with low fees and strong marketing techniques are in high demand for transporting travelers to Phoenix as their origination for airline travel.

The community is frustrated with its reduction in its number of scheduled flights, but more with the fact that these remaining flights are not arriving when scheduled. The major businesses in Yuma, including the military, banks, government, hospital, attorneys, and Public Service Department that frequently use Yuma International Airport depend on service reliability for connections in Phoenix. Unreliable service is a serious issue with current users of Yuma's scheduled commercial air service.

The community is willing to work with the airlines to sustain and promote service. Those attending the meeting emphasized the importance of air service to their community, but indicate they are concerned about and feel they should receive competitive fares and reliable service from the airlines serving Yuma International Airport.

N. ISSUES ADDRESSED IN AIRPORT MEETINGS

As a result of the airport meetings, it was determined that many of the communities share the same or similar concerns related to air service. Many of the issues identified and discussed at the airport meetings are of concern to many communities nationwide. **Table 2-16** outlines the various issues that were raised during the 13 airport meetings.

- Tourism - the airport's role in promoting tourism
- Accessibility - the ability to reach the community by other modes of transportation
- Transportation Options - other commercial operations providing access to the area
- Reliability - airline's ability to provide reliable service and community response
- Fares - attitude of the community toward the cost of flying from local airports
- Subsidies - view of the community toward funding the airlines
- Economic Development - role of the airport related to the future of the communities
- EAS - the airport's view toward Essential Air Service (EAS) funding

TABLE 2-16

Arizona Department of Transportation
Arizona Air Service Study

ISSUES RAISED AT AIRPORT MEETINGS

City	Tourism	Accessibility	Transportation Options	Reliability	Fares	Subsidies	Economic Development	EAS	Marketing	Facility	Users
Bullhead City	X	X	X		X	X					X
Flagstaff	X	X	X	X	X		X		X		X
Grand Canyon	X	X	X							X	X
Kingman				X	X	X		X	X		X
Lake Havasu City	X			X	X		X			X	X
Page	X	X	X	X	X	X		X	X	X	X
Prescott		X	X	X	X	X		X	X	X	X
Safford			X								X
Sedona	X		X			X				X	X
Show Low	X		X	X	X	X	X	X			X
Sierra Vista	X			X	X				X	X	X
Winslow	X	X	X		X		X				X
Yuma	X	X	X	X	X				X		X

Sources: The Airport Technology and Planning Group, Inc. (AirTech)

- Marketing - historic and future marketing plans including whom holds responsibility
- Facility - ability of the airport facilities to meet current and future air service needs
- Users - those people that currently do and do not use the airport and why

These same concerns have been voiced in air service studies conducted in many other states including Colorado, Pennsylvania, North Dakota, and Georgia. The issue most frequently raised relates to airline fares, particularly the fare between Phoenix and the outlying communities in Arizona that are the subject of this study. Primarily, fare becomes an issue when the passengers look at the fare from an outlying community to a hub. For example, the fare from Kingman to Phoenix or Durango, CO to Denver, CO, is as high or higher than a fare from Kingman to Dallas, even though this flight includes the Kingman-Phoenix segment. The same situation occurs for passengers in other states, including the Durango example. **Appendix A** provides more information on fares specifically as they relate to Mesa and America West.

Economic development is another issue raised in many communities. Community leaders recognize the strong tie between the availability of commercial air service and economic development. Several studies have shown that the availability of commercial air service is one of the top factors examined by companies interested in relocating or expanding in an area. This has led many community leaders to take a strong interest in air service issues.

5. SUMMARY

The airport market histories and quality of service indices provided in this chapter are used in subsequent analyses as a backdrop to estimate potential demand in each market and to determine how each market has responded to varying levels of service. The results of the meetings are also used in conjunction with survey results discussed in the next chapter to identify the origination of commercial air travel demand in each market, the amount of commercial air travel demand that is generated locally, and the percentage of diversion from the local airport areas to other airports. From these results, a "potential" enplanement level can be established for each airport.